

Message Text

LIMITED OFFICIAL USE

PAGE 01 VIENNA 03237 062145Z
ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
DOE-15 /126 W

-----023234 071045Z /13

R 061049Z APR 78
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 5852
INFO USMISSION GENEVA

LIMITED OFFICIAL USE VIENNA 03237

GENEVA FOR USMTN

E.O. 11652: N/A
TAGS: ETRD, MTN, GATT, AU
SUBJECT: AUSTRIAN MOTOR VEHICLE TAX

REF: A) STATE 006364, B) VIENNA 444

1. ON APRIL 4, ECONCOUNS MET WITH SENIOR AUSTRIAN TRADE AND FINANCE MINISTRY OFFICIALS TO DISCUSS US PROPOSAL FOR SETTling ITS GATT ARTICLE XXVIII CLAIM ARISING FROM NEW AUSTRIAN MOTOR VEHICLE TAX. MEETING HAD BEEN PRECEDED BY EXCHANGE OF LETTERS TO PERMIT DETAILED STUDY OF ISSUE AND US PROPOSAL.

2. AUSTRIANS MADE LENGTHY PRESENTATION (MUCH OF WHICH PROBABLY DUPLICATES ARGUMENTS ADVANCED IN EARLIER GATT DISCUSSIONS). PRINCIPAL POINTS WERE (A) DESPITE TAX AUSTRIAN IMPORTS AND REGISTRATIONS OF LARGER AMERICAN CARS HAVE GROWN SUBSTANTIALLY; (B) MARGIN OF DISCRIMINATION (WHILE NOT AS LOW AS WITH FULL CONCESSION) IS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VIENNA 03237 062145Z

STILL MUCH IMPROVED OVER SITUATION PRIOR TO CONCESSION; (C) AMERICAN VEHICLES ACCOUNT FOR ONLY A SMALL PORTION (I.E. 12) OF THOSE IMPORTED VEHICLES AFFECTED BY THE NEW TAX; AND (D) DOCTRINE OF REBUS SIC STANTIBUS COULD BE USED TO ARGUE THAT 1973 ENERGY CRISIS INVALIDATED AUSTRIAN CONCESSION.

3. IN ADDITION TO DEBATING THESE POINTS EMB REP STRESSED THAT A GATT CONCESSION HAD BEEN IMPAIRED BY CONSCIOUS GOVERNMENT ACTION (IN CONTRAST, FOR EXAMPLE, TO UNFORESEEN CHANGES IN TECHNOLOGY, CONSUMER PREFERENCE, ETC.) BUT THAT -- BECAUSE OF A DRASTICALLY DIFFERENT ENERGY SITUATION -- WE WERE ANXIOUS TO FIND A SOLUTION IN A MANNER THAT ACCOMMODATED MUTUAL NATIONAL DESIRES TO CONSERVE ENERGY. ALTHOUGH THEY ARGUED ABOUT THE DEGREE, THE GOA REPS DID NOT DENY THAT THEIR LEGISLATION HAD IMPAIRED A CONCESSION TO THE US. NEITHER DID THEY DISAGREE THAT ENGINE CAPACITY ALONE IS AN INCOMPLETE TEST OF FUEL CONSUMPTION.

4. AFTER LENGTHY DISCUSSION GOA OFFICIALS CONCLUDED THAT CHANGE IN TAX BASIS WE WERE URGING COULD ONLY BE EFFECTED BY AMENDING LAW AND GOA WOULD BE UNWILLING TO PROPOSE THIS AT THIS TIME. THEY NOTED THAT WHEN PRESENT ACT WAS IN PARLIAMENT LAST FALL IT HAD ENCOUNTERED HEAVY POLITICAL OPPOSITION (BECAUSE AUTOMOBILE TAXES ARE A SENSITIVE ISSUE) AND, IN FACT, HAD BEEN VETOED THE FIRST TIME AROUND BY THE UPPER HOUSE. GOA COULD NOT RISK REOPENING ISSUE NOW AND CONSERVATIONIST FORCES HAVE NOWHERE NEAR THE MUSCLE REQUIRED TO PUSH FOR THE CHANGE. THEY SUGGESTED INFORMALLY, HOWEVER, THAT BECAUSE THE CASE IS HARDLY A MAJOR ONE IT MIGHT BE POSSIBLE TO TAKE CARE OF IT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 VIENNA 03237 062145Z

IN THE BALANCING PROCESS THAT WILL IN ANY CASE OCCUR DURING MTN.

5. COMMENT. ON THE BASIS OF OUR DISCUSSION THE GOA SEEMS ANXIOUS NOW TO SETTLE THIS ISSUE EXPEDITIOUSLY. BECAUSE THEY CAN NOT CHANGE THE TAX THROUGH ADMINISTRATIVE ACTION -- AND CLEARLY ARE UNWILLING TO TAKE THE LEGISLATIVE ROUTE -- THE SUGGESTION THAT IT MIGHT BE ROLLED INTO THE MTN SEEMS SENSIBLE. ALTHOUGH THE GOA OFFICIALS PUT THIS FORWARD ONLY AS A "POSSIBLE" APPROACH WE ARE QUITE SURE THAT THE NECESSARY APPROVAL COULD BE OBTAINED. WOLF

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GROUND VEHICLES, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978VIENNA03237
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780150-0597
Format: TEL
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780483/aaaacssv.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 43b1d4b4-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 6364, 78 VIENNA 444
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3048100
Secure: OPEN
Status: NATIVE
Subject: AUSTRIAN MOTOR VEHICLE TAX
TAGS: ETRD, AU, MTN, GATT
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/43b1d4b4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014